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DIRECTORATE OF INTELLIGENCE

17 September 1986

INDIA'S ANTINARCOTICS INITIATIVES:
CAN NEW DELHI CONTROL DRUG TRAFFICKING?

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Summary

India is an increasingly important transit point for heroin consumed in the West and originating in both the Golden Triangle and the Golden Crescent. Indian ports and airports have become attractive to drug traffickers as routes through neighboring countries have become more difficult. New Delhi has reappraised its antinarcotics effort twice since Rajiv Gandhi took office 20 months ago in an effort to improve interdiction of illegal drugs, but corruption, resentment of the new Narcotics Control Bureau, and the need to balance competing political pressures may prevent Gandhi from pursuing the aggressive program necessary to reduce significantly the flow of narcotics through India. New Delhi's recent enthusiasm for increased regional and international cooperation in antinarcotics efforts, however, may offer the United States an opportunity to improve bilateral relations and strengthen US antidrug programs in South Asia.

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This memorandum was prepared by
 the Office of Near Eastern and South Asian Analysis.
Information as of 9 September 1986 was used in its preparation.
Comments and queries may be addressed to the Chief, South Asia
Division and Chief, Issues &
Applications Division

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Background

India has long been the world's largest producer of legal opium. New Delhi closely monitors farmers growing opium poppies through a complex system of licenses, acts as the single legal broker for the raw opium, and oversees the international marketing of finished pharmaceutical-quality opium gum. []

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US drug officials, however, estimate that this year about 140-200 metric tons--20-30 percent of India's licensed opium crop--will be diverted to the illegal narcotics trade. US Drug Enforcement Administration officials judge that most opium diverted from licit domestic production probably is consumed in India. []

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A far greater problem for the West is the growing amount of illicit foreign-origin opiates that organized criminal drug trafficking syndicates are moving through India as routes through Karachi, Bangkok, and Hong Kong have been constricted by tougher enforcement. Although we have no good estimates for the total amount of drugs trafficked through India, data reveals that international seizures have increased dramatically in recent years (see Appendix). Heroin trafficked through India forms an increasing percentage of the narcotics entering US and European markets. In the last three years seizures of drugs in Europe that have originated in or moved through India have more than tripled and US seizures have increased nearly fivefold. Most of the seizures have been of refined heroin produced from opium grown in Afghanistan, Pakistan, and Burma. []

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Indian ports and airports provide easy links for narcotraffickers supplying the western market. Lax customs regulations for onward bound cargoes, corruption among local officials, and extensive international sea and air connections make India an attractive transshipment point for drugs originating in both Southwest and Southeast Asia. Karachi, Rangoon, Hong Kong, and Bangkok have increased the effectiveness of their antinarcotics programs, forcing traffickers to seek new links to Western drug markets. The success of their efforts will make Indian ports even more popular as transit points for narcotics trafficking. []

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Traditional smuggling groups have moved contraband materials, including weapons and narcotics, through India for centuries. These groups form a highly resilient network that modern narcotics traffickers have adapted to their own use. []

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Gandhi Moves Against Drugs

Rajiv Gandhi has publicly called drug abuse one of the greatest evils facing Indian society and has inaugurated a number of national programs to address this challenge. His mother, Prime Minister Indira Gandhi, failed to focus on the issue of drug abuse or to perceive the serious threat that both domestic abuse and international trafficking pose to India. Rajiv Gandhi, however, has responded to international and regional calls for increased cooperation against drug trafficking and reports from leading political advisors on the rise in domestic drug abuse to initiate a new antinarcotics effort. [redacted]

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Regional drug trafficking is also a growing security concern for New Delhi, in part because it is a factor in serious regional communal problems. [redacted]

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[redacted] up to 80 percent of the funds for the Sri Lankan Tamil insurgent groups operating in India comes from narcotics profits. These funds have enabled Sri Lankan dissidents to evade New Delhi's attempts to control their operations. We also believe a part of funding for Sikh separatists in Punjab stems from drug trafficking in South Asia and Europe. [redacted]

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Gandhi has given the bureaucracy clear signals that the drug effort--like terrorism--is important to him personally and that he wants to move quickly to address the challenge. His administration has streamlined India's antinarcotics legislation, adding stricter enforcement measures, and swift trials and harsh penalties for abusers and traffickers. His drug reforming efforts culminated this summer with the creation of a national Narcotics Control Bureau (NCB), bringing together all sections of the Indian bureaucracy with antinarcotics duties under one authority for the first time. Gandhi appointed rising young officials to key positions in the NCB, including B.V. Kumar as Director General of the new bureau. Kumar is known for his aggressive revenue enforcement as Director General of the Finance Ministry's Revenue Intelligence Program. We believe the new antidrug administrators will be less corrupt and more responsive to Gandhi's leadership than the old bureaucracy. [redacted]

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In our judgment, the initial competition between the powerful Finance Minister V.P. Singh and the influential Minister of State for Internal Security Arun Nehru over control of the NCB last summer underscored the importance of the new agency. Although Singh managed to retain overall control of the new agency under the Ministry of Finance, Nehru and other high level bureaucrats will continue looking for ways to reduce the NCB's prominence or bring portions of the program under their control. [redacted]

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Indian Cooperation in Bilateral Antinarcotics Programs

Gandhi's current antinarcotics push is consistent with other initiatives he has inaugurated to cooperate with the United States on international and regional issues. We believe New Delhi will welcome new opportunities to become involved in bilateral antidrug initiatives with the United States and other Western states. Indian officials have shown a new willingness to discuss such efforts with Washington, as demonstrated by the formation of a joint US-Indian antinarcotic working group which will meet for the first time this month in New Delhi. []

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Indian leaders, however, will seek to keep a low profile for any US involvement in the national antinarcotics program to reduce opposition criticism that the project has been handed over to "foreign influence." New Delhi probably will couch any bilateral antidrug efforts in terms that emphasize the national, particularly Indian, nature of the program. The Indians will be wary of US antinarcotics officials operating in sensitive areas, such as the borders with Pakistan and the volatile tribal areas along the Burmese border. Indian officials probably will seek US support for programs beyond the scope of bilateral antinarcotics discussions, such as India's efforts to expand international sales of its large store of licit opium. []

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Facing Major Hurdles

Although we believe Gandhi and the national leadership is committed to the antinarcotics effort, selling the program to the lower echelons of the Indian bureaucracy who are directly responsible for the program will be difficult. Gandhi's efforts will face resistance from opposition state governments, corrupt local officials, and powerful smuggling interests in key Indian cities and states. []

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- Indian state governments remain responsible for local aspects of the antidrug initiative and may not be as responsive to New Delhi's directives--particularly in opposition-led states--as Gandhi hopes.
- Gandhi faces deeply-rooted local political interests if his anti-drug campaign moves against leading narcotics traffickers in Bombay, Calcutta, and New Delhi. Many large-volume drug dealers apparently enjoy the protection of important regional political patrons.

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Regional Factors

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New Delhi's new enthusiasm to reduce domestic drug abuse and narcotics trafficking may offer a valuable hook for US efforts to coordinate antidrug programs throughout the Subcontinent region. US support for India's effort also may translate positively into a wider role for related regional antinarcotics efforts, such as the initiative currently under consideration by the leaders of the South Asian Association for Regional Cooperation (SAARC). US participation in joint and multilateral ventures helps mask Washington's role in the region, a factor to which all the nations of the subcontinent are sensitive.

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Cautions

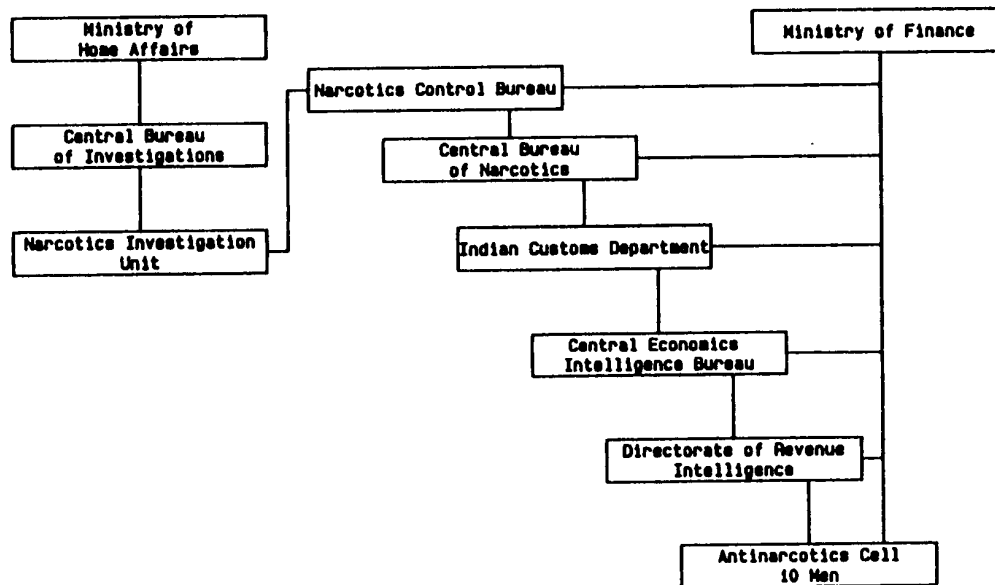
The recent antidrug initiative has received the personal imprimatur of the Prime Minister, a fact which can be counted on to increase the receptiveness of some Indian officials to US cooperative overtures. Still,

- Indian bureaucrats will look to their US counterparts to be aware of New Delhi's antinarcotics efforts and to praise whatever success the Indian program has had.
- Lower-level Indian antinarcotics officials will not want to get too far out in front of New Delhi.
- Indians will remain sensitive to any US efforts to publicize American participation in New Delhi's antinarcotics program.

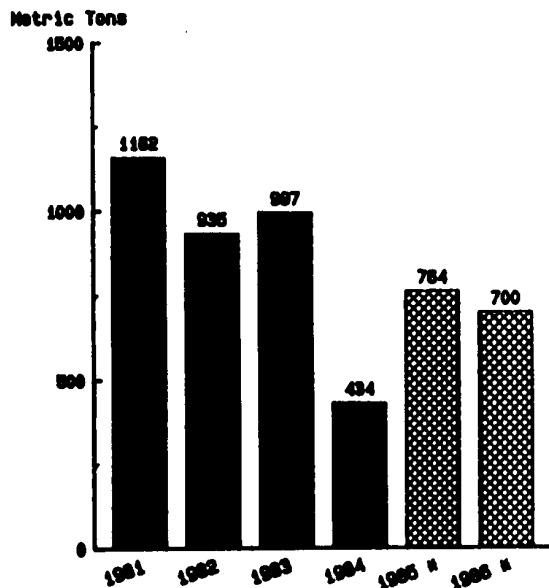
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Structure of India's Antinarcotics Enforcement Program

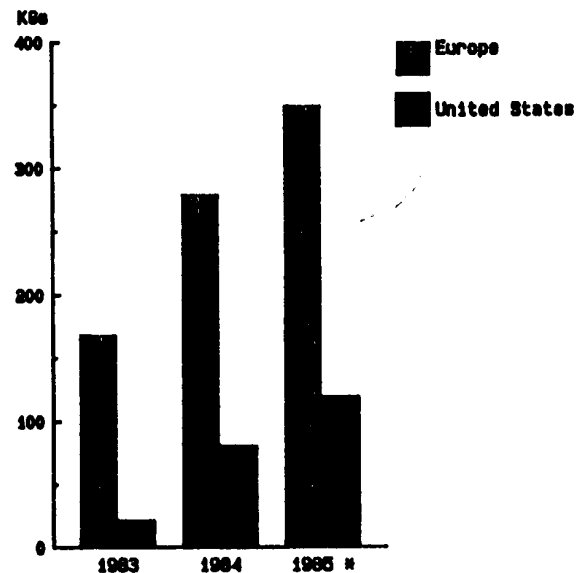


LICENSED OPIUM PRODUCTION Government of India Official Figures



20-30% of the licit crop enters the illegal market. Approximately 200-250 MT of opium enters the market and is consumed internally.
* Estimated Projections

INDIAN HEROIN SEIZED IN EUROPE AND THE U.S.



* Estimated Projections

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SUBJECT: India's Antinarcotics Initiatives:
Can New Delhi Control Drug Trafficking?

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